

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
SECURITIES DIVISION**

IN THE MATTER OF)	
)	
Steven K. Savell)	Administrative Consent Order
)	Number LS-15-1530
<i>Respondent</i>)	
)	

CONSENT ORDER

WHEREAS, the Securities Division of the Mississippi Secretary of State’s Office (“Division”), is the administrator of the Mississippi Securities Act currently in force codified at Mississippi Code Sections 75-71-101 *et. seq.* (the “Act”) and was the administrator of the predecessor securities act which was in force prior to January 1, 2010 (the “Predecessor Act”); and

WHEREAS, Steven K. Savell (“Savell” or “Respondent”) has waived any right to a hearing and appeal under the Act and the Predecessor Act, with respect to this Administrative Consent Order (“Order”); and

WHEREAS, Respondent admits to the jurisdiction of the Division and consents to the entry of this Administrative Consent Order (“Order”); and

WHEREAS, Respondent, solely for the purpose of concluding this matter with the Division and without admitting or denying the Findings of Fact and Conclusions of Law set forth herein, agrees to certain actions described herein, and consents to the terms and conditions of this Order; and

NOW, THEREFORE, the Division, as Administrator of the Act, hereby enters this Order:

I. FINDINGS OF FACT

As the alleged actions of Savell took place both prior to January 1, 2010 and after January 1, 2010, both the Predecessor Act and current Act apply. Therefore, all citations to Mississippi Statutes in this section are to both the current Act and Predecessor Act in force for the relevant time period of Savell's alleged actions.

Interested Persons

1. The Secretary of State has the authority pursuant to the Act to administer and enforce the Act and regulate the offer and sale of securities in Mississippi including the firms and persons who offer or sell securities or who provide investment advice regarding securities.
2. Steven K. Savell ("Savell") is an individual with a last known residence at 135 Peninsula Drive, Brandon, Mississippi 39047. The Central Registrations Depository ("CRD") number for Savell is 3059480. Savell is currently not registered with the Division.
3. Savell was last registered as a broker-dealer agent with Raymond James & Associates, Inc. ("Raymond James") until June 1, 2013. Raymond James is a broker-dealer with a principal place of business at 880 Carillon Parkway, St. Petersburg, FL 33733. Its CRD number is 705.
4. Savell was previously registered with Morgan Keegan & Company, Inc. ("Morgan Keegan") from June 24, 2004 to February 13, 2013. Morgan Keegan was a broker-dealer with a principal place of business at 50 North Front Street, Memphis, Tennessee 38103. Its CRD number was 4161.

Events

5. From June 24, 2004 to February 13, 2013, Savell was registered with the Division as a broker-dealer agent with Morgan Keegan's branch office located in Jackson, Mississippi.
6. Raymond James acquired Morgan Keegan on April 2, 2012, and Savell subsequently registered with Raymond James in February 13, 2013, until June 1, 2013.

7. On or about November 2, 2015, the Division received a complaint from a Mississippi investor alleging improper brokerage activities by Savell, and shortly thereafter the Division initiated an investigation.
8. Upon review of relevant documents regarding Savell's activities, the Division noted a pattern of trade tickets of low-priced securities marked as "unsolicited" for the stock Enhanced Oil Resources, formally known as Ridgeway Petroleum Corporation (both hereinafter "EOR").
9. EOR is an early-stage oil resources company incorporated in British Columbia, Canada and is engaged in the acquisition, development, operation, and exploitation of crude oil and natural gas properties in the Permian Basin in eastern New Mexico, United States. Common shares of EOR are listed on the Canadian exchange TSX Venture Exchange ("TSXV") under the symbol "EOR" and quoted on the OTCQX ("Over the Counter" qualified stock exchange) under the symbol "EORIF".
10. According to trading records provided by Raymond James, from September 1, 2006 to January 19, 2011, Savell made four hundred eighty-three (483) different transactions for one hundred seventy-two (172) individual customers to purchase the Penny Stock.
11. All but four of the above transactions were marked as unsolicited, which indicates each individual customer allegedly had to have independently requested the stock purchase without Savell suggesting the investment to the customer.
12. Morgan Keegan's policy during this time was that recommending a stock trade in a low-priced security such as EOR was either prohibited or required special authorization by the branch manager for the agent to recommend the stock.
13. Raymond James did not provide and the Division has no records showing such authorization was given to Savell prior to the EOR transactions.

II. APPLICABLE LAW

14. Section 75-71-102(1) of the Act states, “‘Administrator’ means the Secretary of State.”

15. Section 75-71-601(a) of the Act states, “Administration. The administrator shall administer this chapter.”

16. The Division may employ remedies set out in Miss. Code Ann. § 75-71-604 of the Act which sets forth:

Administrative enforcement.

(a) Issuance of an order or notice. If the administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter, the administrator may:

(1) Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this chapter;

(2) Issue an order denying, suspending, revoking, or conditioning the exemptions for a broker-dealer under Section 75-71-401(b)(1)(D) or (F) or an investment adviser under Section 75-71-403(b)(1)(C); or

(3) Issue an order:

(A) Under Section 75-71-204;

(B) Imposing a civil penalty in the case of an issuer of registered securities, broker-dealer, investment adviser, agent, investment adviser representative, or other person who violated this chapter;

(C) Barring or suspending the person from association with a broker-dealer or investment adviser registered in this state; or

(D) Requiring the person to pay restitution for any loss or disgorge any profits arising from the violation, including interest.

* * *

(d) Civil penalty. In a final order under subsection (c), the administrator may impose a civil penalty in an amount set forth in Section 75-71-613 for each violation and each violation shall be considered a

separate offense in a single proceeding or a series of related proceedings.

17. Rule 523(A) of the Rules enacted by the Administrator under the Predecessor Act sets forth:

Standards of Conduct:

Each broker-dealer and agent shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business. Acts and practices, including, but not limited to, the following, are considered contrary to such standards and may constitute grounds for denial, suspension, or revocation of registration, imposition of fines, or such other action authorized by statute.

(A) Broker Dealers

* * *

- (5) Marking any order tickets or confirmations as unsolicited when in fact the transaction is solicited.

18. Rule 523 (B) of the Rules enacted by the Administrator under the Predecessor Act sets forth:

Standards of Conduct:

Each broker-dealer and agent shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business. Acts and practices, including, but not limited to, the following, are considered contrary to such standards and may constitute grounds for denial, suspension, or revocation of registration, imposition of fines, or such other action authorized by statute.

* * *

(B) Agents

* * *

- (6) Engaging in conduct specified in subsection (a) 1, 2, 3, 4, 5, 6, 8, 11, 12, 16, 17, 18, 19, 23 of this Rule.

The conduct set forth above is not inclusive. Engaging in other conduct such as forgery, embezzlement, non-disclosure, incomplete disclosure or misstatement of material facts, or manipulative or deceptive practices shall also be grounds for denial, suspension, or revocation of registration, or imposition of fines.

19. Rule 5.21(A) of the Rules enacted by the Administrator under the Act sets forth:

Standards of Conduct:

Each broker-dealer and agent shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business. Acts and practices, including, but not limited to, the following, are considered contrary to such standards and may constitute grounds for denial, suspension, or revocation of registration, imposition of fines, or such other action authorized by statute.

(A) Broker Dealers

* * *

(5) Marking any order tickets or confirmations as unsolicited when in fact the transaction is solicited.

20. Rule 5.21 (B) of the Rules enacted by the Administrator under the Act sets forth:

Standards of Conduct:

Each broker-dealer and agent shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business. Acts and practices, including, but not limited to, the following, are considered contrary to such standards and may constitute grounds for denial, suspension, or revocation of registration, imposition of fines, or such other action authorized by statute.

* * *

(B) Agents

* * *

(6) Engaging in conduct specified in subsection (a) 1, 2, 3, 4, 5, 6, 8, 11, 12, 16, 17, 18, 19, 23 of this Rule.

The conduct set forth above is not inclusive. Engaging in other conduct such as forgery, embezzlement, non-disclosure, incomplete disclosure or misstatement of material facts, or manipulative or deceptive practices shall also be grounds for denial, suspension, or revocation of registration, or imposition of fines.

21. Section 75-71-613 of the Act sets forth:

Amounts of civil and criminal penalties.

(d) Amount of civil penalty and further civil penalty under Section 75-71- 604--administrative enforcement.

(1) The amount of the civil penalty described in Section 75-71-604(d) is a maximum of Twenty-five Thousand Dollars (\$25,000.00) for each violation, provided that an additional civil penalty may be imposed up to a maximum of Fifteen Thousand Dollars (\$15,000.00) for violations of the chapter committed against elders or disabled persons.

III. ACTION NECESSARY TO PROTECT THE PUBLIC

22. Action by the Division to halt future conduct by Respondent is necessary and appropriate in the public interest and for the protection of investors, and is consistent with the purposes fairly intended by the policy and provisions of the Act.

23. Based upon the foregoing Findings of Fact, and consistent with the consent of the Respondent, the Division makes the following:

IV. CONCLUSIONS OF LAW

24. The Administrator, after consideration of the facts set above and on the consent of Savell and the Division, finds and concludes that the Secretary has jurisdiction over Savell and this matter and that the following is in the public interest, necessary for the protection of investors, and consistent with the purposes intended by the Act.

25. Respondent mismarked four hundred seventy-nine (479) out of four hundred eighty-four (484) solicited EOR transactions as unsolicited in violation of Mississippi Securities Act Rule 5.21(A)(5) and 5.21(B)(6) and under the Predecessor Act Rule 523(A)(5) and 523(B)(6) .

V. ORDER

IT IS HEREBY ORDERED:

1. This Order concludes the open matter with the Division with respect to Respondent's conduct. However, nothing herein limits the ability of the Division, individually or jointly with

other agencies, in pursuing any investigation with respect to any other securities-related matter involving the Respondent.

2. This Order is entered into for the purpose of resolving the previously referenced allegations and is not intended to be used for any other purpose.

3. Respondent's registration as a broker-dealer agent with the Division is expired. Respondent shall permanently refrain from seeking any registration with the Division.

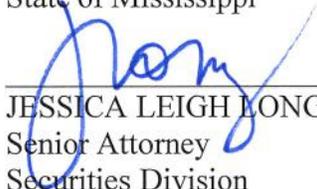
4. Any failure by Respondent to follow the terms of this Order shall be considered a violation of this Order, authorizing the Administrator in his sole discretion to either enforce this Order pursuant to Section 75-71-604(g) of the Act without opportunity for hearing or the Administrator may vacate this Order fifteen (15) days' notice to Respondent and refer this matter for enforcement as provided in Section 75-71-604(a) of the Act. In addition, the Division may impose additional sanctions and seek other appropriate relief for violations of this Order.

5. This Order contains, constitutes, and embodies the entire agreement between the undersigned, there being no agreement of any kind, verbal or otherwise, which varies, alters, or adds to this Order.

Dated this the 26th day of July 2016.

C. DELBERT HOSEMANN, JR.
Secretary of State
State of Mississippi

By:



JESSICA LEIGH LONG
Senior Attorney
Securities Division

CONSENT TO ENTRY OF FINAL ORDER

Steven K. Savell hereby acknowledges that he has been served with a copy of this Administrative Consent Order ("Order") has read this Order, is aware of his right to a hearing and appeal in this matter, and has waived the same.

Steven K. Savell admits the jurisdiction of the Division and consents to entry of this Order by the Division as settlement of all matters relating to the examination referred in the Order.

Steven K. Savell states that no promise of any kind or nature whatsoever was made to him to induce him to enter into this Order and that he has entered into this Order voluntarily.

Dated this the 19 day of July 2016.

Steven K. Savell

By: *Steven K. Savell*

STATE OF Mississippi

COUNTY OF Rankin

SUBSCRIBED AND SWORN TO before me this 19 day of July 2016.

Tammie Jones
Notary Public

My commission expires: April 24, 2020

